Mobile Commerce: Core Issues, Products and Services

Summary

Although m-commerce is an emerging field in its early stages there are a number of ideas of what is going to constitute the key success factors for the actors in the global m-commerce arena.

We will attempt to form an embryo of a conceptual framework for m-commerce products and services from three perspectives\textsuperscript{1}: the customer, the producer and the management.

Seen from the perspective of the customer the necessary distinguishing elements are
1. flexibility, m-commerce products and services should be available anywhere, at any time and anyhow.
2. value-adding, m-commerce products and services should improve productivity, they should be adaptive to localisation and they should be sensitive to customer personalisation.
3. a mobile technology basis, m-commerce products and services should use innovative and distinguishing features of mobile technology to enhance the quality of life (e.g. messaging, entertainment, education, information, privacy, etc.).

Seen from the perspective of the producer the necessary distinguishing elements are
4. modularity, m-commerce products and services could be built from a core of generic product and service modules, which can be combined to form context adapted products and services; this should support the flexibility element.
5. layers, m-commerce products and services could be built in layers to add attributes and characteristics, which are adapted to (i) customer personalisation, (ii) localisation, (iii) brand profiles, (iv) privacy, etc.; this should support the value-adding element.
6. bundling, m-commerce products and services could be built through a bundling of modular products and services, which would be a way to make use of the mobile technology basis (cf. also 4 and 5).

Seen from the perspective of the management the necessary distinguishing elements are
7. value/cost ratios, m-commerce products and services should show good or very good value for cost in comparison with similar products and services; this should form the basis for pricing strategies, and cost and revenue models.
8. production, logistics, marketing and advertising, m-commerce products and services should have innovative features in comparison with similar products and services; this may be a function of the possibilities offered by the mobile technology.
9. business model, m-commerce products and services should use innovative and distinguishing features of mobile technology to support new business models.

\textsuperscript{1} This material was first generated in a brainstorming session on December 16, 2000 in which Christer Carlsson, Tawfik Jelassi, Pirkko Walden, Myra Spiliopoulou, Thomas Hutzscheneuter and Alexander Lorbeer participated.
As the distinction between products and services may become blurred as they are produced with digital mobile technology we need to introduce the following distinctive elements:

- **services:** intangible, no ownership is defined;
- **products:** tangible, ownership is defined;
- **digital products:** intangible, ownership is defined;
- **digital services:** intangible, no ownership is defined;
- **digital product & service:** intangible, ownership is defined;
- **digital service & product:** intangible, ownership is not defined;

The last two cases point to the possibility that we have proprietary services as part of digital products or that services may have products incorporated, for which no ownership can be claimed. It appears that ownership is a key feature for products – a key feature for services is that the client’s presence is needed. This may then serve as a guideline for building m-commerce products and services.

The quest for *killer applications*, which is a common feature in most of the business seminars sold by the key consulting companies, may be a quest in vain. Already from the elements we have introduced above it appear evident that single, outstanding killer applications may be rare and far between. This has also been visible in discussion of m-commerce products and services, in which we have various types of combinations:

- **Killer Cocktail**, a mix in which the components cannot be distinguished [Nokia];
- **Killer Pizza**, a mix in which the components can be distinguished;
- **Killer Bouquet**, a set of components for which the aggregate is more than the sum of its parts [The Mobile Commerce Research Centre];
- **Killer Soup**, the more ingredients you put in, the better it gets – an operator will be needed for stirring;
- **Killer Fondue**, as for the soup, but no operator is needed for stirring;

Using these, no doubt rather stirring metaphors, the “killer bouquet” can be given the following schematic representation (cf. fig. 1).

![Diagram](image)

Figure 1. The *Killer Bouquet* of m-commerce products & services.
The interrelations between the various products and services can be in terms of (i) technology, (ii) content, (iii) information, (iv) design, (v) co-production, etc. The bouquet can easily be extended to n products & m services.

With an understanding of the key features and success factors it appears that the issues at the core of the mcommerce business logic are, to develop value-added content, business models and technologies, which can create the key features and serve as drivers of the success factors.

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